

Amendments to the Specification:

Please replace the paragraph beginning at page 3, line 5, with the following amended paragraph:

A payer must be a registered user of conventional electronic payment systems. Registration is required so that the service provider can obtain and validate information relating to the user. Registration may be a somewhat simplified process whereby a user submits, on-line, information identifying his or her bank account and financial institution and his or her name, address and phone number, or some variation thereof. Other systems require that the potential user supply a voided check from the user's checking account. However, even with the simplified on-line registration process, the payer is not able to immediately direct payments. The user must wait for the service provider to validate the registration information and to receive a confirmation that the registration process is complete. This confirmation is typically sent from the service provider to the registering user via regular mail channels. Due to the processing and delivery time, the registering user is not able to immediately direct bill payment.

Please replace the paragraph beginning at page 10, line 30, with the following amended paragraph:

Yet another service now provided over the Internet is the delivery of electronic greeting cards via e-mail. Many Web sites offer such services. Electronic greeting cards are available for a myriad of occasions, as are paper greeting cards. However, electronic greeting cards have at least one disadvantage compared to traditional paper greeting cards. Many senders include monetary gifts along with paper greeting cards. These gifts are typically in the form of cash, check, or gift certificate. With present electronic greeting cards, there is no way to include such a monetary gift.

Please replace the paragraph beginning at page 16, line 13, with the following amended paragraph:

In another aspect of the invention, the processor can be configured to receive, via the communications port, a notice sent over a network that the goods have been received from the

seller and are acceptable, or that the seller has acceptably performed the service. This notice confirms that the purchaser is satisfied with the goods or services. An indication of this notice is also stored in the memory. This notice may be sent by the purchaser, the shipping agent, the seller, or another entity. If sent by the seller, the notice is preferably generated by the shipping agent, transmitted to the seller, and then forwarded to the processor. Also, a notice of acceptance be received from each of the purchaser, the seller, and the shipping agent. Or, from the purchaser and either of the seller or the shipping agent.

Please replace the paragraph beginning at page 30, line 15, with the following amended paragraph:

The DDA number/financial institution processing can include accessing, also in real-time, one or more databases 306, via communication 320, containing information associated with demand deposit accounts and financial institutions to validate the received DDA/financial institution information and to determine if the DDA associated with the registering user 205 can be electronically debited and/or credited. As shown in FIG. 3, database(s) 306 is not stored in memory 1170. However, it will be understood that database(s) ~~305~~ 306 may be stored in memory 1170.

Please replace the paragraph beginning at page 38, line 26, with the following amended paragraph:

The Internet auction site 1490 at which the sale transaction originated can present a hyper-link to registered purchaser B 110B which connects registered purchaser B 110B to processing (escrow) agent 130. Or, registered purchaser B 110B may directly access the processing (escrow) agent 130 to direct payment or payment and escrow services. Selecting the hyper-link causes processing agent 130 to present a Web page to registered purchaser B 110B that contains data pertaining to the goods or services being purchased. The page may contain the seller's name, unique identifier, item or service description, payment amount, and payment date. This information is captured from the auction site 1490. The Web page also includes a hyper-link to

cause the transaction to be initiated. Registered purchaser B 110B must provide his unique identifier, and optionally, password, before the transaction can be processed. The Web page can include a field or fields for entry of this information. It should be understood that this Web page is also available when the auction site sale transaction between registered purchaser B 110B and registered seller B 120B is not an escrow transaction, but a sale transaction as described above, which results from a winning bid. Also, the Internet site 1490 can present to an unregistered user an option to become registered.

Please replace the paragraph beginning at page 39, line 17, with the following amended paragraph:

Processing (escrow) agent 130 initiates a debit of funds from the account associated with registered purchaser B 110B, as depicted in step 1512 and communication 1412. This may be at a future date agreed upon by the parties to the transaction, including the on-line auction site 1490. The state of the payment request stored in database 1405 is changed to "debit initiated," as depicted in communication 1415 and step 1515.

Please replace the paragraph beginning at page 46, line 33, with the following amended paragraph:

In step 1520, the processing (escrow) agent 130 informs the registered seller B 120B of the payment identifier and not the package identifier. In this second alternative, either the registered seller B 120B or the shipping agent 2000 can generate the package identifier. At step 2301, the registered seller B 120B provides the goods to the shipping agent 2000, and if necessary, also provides the package identifier. If not, the shipping agent 2000 generates the package identifier and notifies the registered seller B 120B of the package identifier. Communications between the registered seller B 120B and the shipping agent ~~200~~ 2000 are depicted via communication 2201.

Please replace the paragraph beginning at page 50, line 12, with the following amended paragraph:

At step 2515, the delivery results are either pulled from or pushed from the shipping agent 2000. This may be to the processing (escrow) agent 130, or to the registered seller B 120B. If to processing (escrow) agent 130, the results are communicated via communication 2415B, and if to the registered seller B 120B, the results are communicated via communication ~~2415B~~ 2415A.

Please replace the paragraph beginning at page 61, line 16, with the following amended paragraph:

A notice is delivered to the non-enrolled recipient ~~1800C~~ 2800C, preferably via e-mail, that an electronic gift certificate is available and that the non-enrolled recipient must become a registered member of the enclosed community 201 to receive the electronic gift certificate, communication 2860 and step 2960. This communication preferably includes at least the name and e-mail address of the registered donor.

Please replace the paragraph beginning at page 61, line 23, with the following amended paragraph:

If the registered donor's account is to be debited, a pending debit transaction is created against the donor's account and stored in database ~~1805~~ 2605, step 2961 and communication 2880. This can include, in addition to other information, the registered donor's name, unique user identifier, gift certificate amount, and date the gift certificate request is initiated by the registered donor.

Please replace the paragraph beginning at page 61, line 29, with the following amended paragraph:

If the non-enrolled recipient chooses to enroll, the above described registration procedures are followed to register the non-enrolled recipient ~~1800C~~ 2800C, step 2965.